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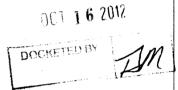
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## BEFORE THE ARIZONA CORPORATION COMMISSION COMMISSION DOCKETED

## **COMMISSIONERS**

GARY PIERCE, Chairman **BOB STUMP** SANDRA D. KENNEDY PAUL NEWMAN BRENDA BURNS



IN THE MATTER OF THE APPLICATION OF **PUBLIC** ARIZONA **SERVICE** COMPANY FOR APPROVAL OF ITS 2012 **RENEWABLE ENERGY STANDARD IMPLEMENTATION** FOR RESET RENEWABLE ENERGY ADJUSTOR

DOCKET NO. E-01345A-11-0264

APPLICATION TO **MODIFY** RESIDENTIAL INCENTIVES

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Arizona Public Service Company has seen unprecedented participation in its residential DE program this year. The residential, grid-tied photo-voltaic (PV) incentive step-down mechanism implemented in 2012 began at \$0.75 per watt and decreased to the current \$0.20 per watt level. Despite declining cash incentives, the solar industry has increased its activity to match the incentive step downs. The Commission's step-down mechanism has resulted in an unprecedented amount of solar with low direct cash incentive levels. And maybe even more importantly, customer participation continues to increase.

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As reported on Arizonagoessolar.org and aps.com on October 12, APS has received over 6,400 applications for residential grid-tied PV in 2012 for a total of 50 MW. In fact, APS recently received more than 160 incentive applications in a single day at the \$0.20 per watt incentive level, more than the weekly average at the beginning

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of 2012 when the residential PV incentive was \$0.75/watt. Collectively, these applications consume over 98% of APS's 2012 residential PV budget. As of Friday, October 12, approximately \$370,000 remains in this budget. By contrast, approximately \$1.9 million remains in the non-PV budget.

APS projects that applications will exhaust the 2012 residential grid-tied PV incentive budget in October. To provide additional funding in advance of the Commission's decision regarding APS's 2013 RES Plan, the Company requests that the Commission authorize APS to take the following actions:

- (i) shift \$650,000 from APS's current non-PV incentive budget<sup>1</sup> to the current residential grid-tied PV incentive budget; and
- (ii) offer cash incentives at \$0.10/watt for residential grid-tied PV until this funding is exhausted or the remainder of 2012, whichever occurs sooner.

The proposal to shift funds would leave the non-PV budget with over \$1.2 million for incentives in 2012.

RESPECTFULLY SUBMITTED this 16<sup>th</sup> day of October, 2012.

By:<u> **\** \</u>\/

Themas A. Loguvam

Attorney for Arizona Public Service Company

ORIGINAL and thirteen (13) copies of the foregoing filed this 16th day of October, 2012, with:

24 Docket Control

ARIZONA CORPORATION COMMISSION

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Phoenix, Arizona 85007

<sup>&</sup>lt;sup>1</sup> APS's non-PV budget includes funds for off-grid wind, geothermal, solar space heating, solar water heating and off-grid PV.

COPY of the foregoing mailed/delivered this 16<sup>th</sup> day of October, 2012 to:

All Parties of Record.

All Parties of Record.

Copies of the foregoing delivered This 16<sup>th</sup> day of October, 2012 to:

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